

Message Text

CONFIDENTIAL

PAGE 01 JAKARTA 13331 130826Z

15

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 SS-20 NSC-10 AGR-20 AID-20 OMB-01

TRSE-00 COME-00 L-03 CIAE-00 INR-10 NSAE-00 RSC-01

DRC-01 /109 W

----- 108481

R 130757Z NOV 73

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 9557

INFO AMEMBASSY TOKYO

C O N F I D E N T I A L JAKARTA 13331

TOKYO FOR SECRETARY KISSINGER, ASST SECRETARY DESIGNATE
INGERSOLL AND AMBASSADOR GALBRAITH

E.O. 11652: GDS

TAGS: EAGR.ID

SUBJECT: RICE SITUATION IN INDONESIA

1. PRESIDENT SUHARTO, DURING MY NOVEMBER 12 TALK WITH HIM, ASKED ME TO BRING THE INDONESIAN RICE SITUATION TO THE ATTENTION OF THE SECRETARY. INDONESIA, SUHARTO SAID, WAS EXPENDING GREAT QUANTITIES OF SCARCE FOREIGN EXCHANGE TO BUY RICE. THERE WAS THE THREAT THAT SHORTAGES OF RICE WOULD DEVELOP DURING THE NEXT FEW MONTHS WHEN RICE WOULD NOT BE HARVESTED. IF THIS SHOULD HAPPEN, COINCIDING WITH THE END OF THE FIRST FIVE-YEAR PLAN AND THE BEGINNING OF THE SECOND IN APRIL, IT WOULD TEND TO UNDERMINE PUBLIC CONFIDENCE IN THE SUHARTO GOVERNMENT AND COULD CONCEIVABLY LEAD TO A BREAKDOWN OF PUBLIC ORDER- HOWEVER SMALL, SOMETHING HAD BEEN ACCOMPLISHED DURING THE FIRST FIVE-YEAR PLAN AND IT WOULD BE A SHAME IF THIS WERE LOST SIGHT OF IN INDONESIA BECAUSE OF DEVELOPING RICE SHORTAGES AND PRICE INCREASES. SUHARTO STRESSED THE IMPORTANCE OF THE U.S. PROVIDING THE RICE IT HAD PLEDGED TO INDONESIA AT THE IGGI MEETING LAST SPRING. IT WOULD BE A SHAME ALSO, HE SAID, IF U.S. FAILURE TO

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKARTA 13331 130826Z

PROVIDE THE RICE IT HAD PLEDGED WERE SEEN TO BE

CONNECTED TO SHORTAGES AND HIGHER PRICES FOR RICE.

2. I TOLD SUHARTO WE HAD BEEN WORKING CLOSELY WITH THOSE RESPONSIBLE FOR WATCHING THE RICE SITUATION IN INDONESIA. BECAUSE OF WORLD DEMAND RICE HAD NOT BEEN AVAILABLE UNDER PL 480 FOR THESE PAST SEVERAL MONTHS. BUT FORTUNATELY INDONESIA COULD BUY RICE, HAD THE FOREIGN EXCHANGE TO DO SO AND HAD CONTRACTED FOR ADEQUATE SUPPLIES. OUR INFORMATION LED US TO BELIEVE INDONESIA WAS ALL RIGHT ON ITS SUPPLIES FOR THE PRESENT. FUTURE PL 480 RICE AVAILABILITY WOULD DEPEND ON COMMERCIAL AND OTHER DEMANDS. IF THESE WERE LIGHTENED BY GOOD RICE CROPS IN OTHER SUPPLYING COUNTRIES, MORE U.S. RICE MIGHT BECOME AVAILABLE UNDER PL 480. I SAID WE WOULD BE WATCHING INDONESIA'S NEEDS CAREFULLY AND WOULD BE AS HELPFUL AS POSSIBLE.
I NOTED THAT RICE PRICES IN INDONESIA HAD BEEN FAIRLY STABLE, REFLECTING ADEQUATE SUPPLIES. SUHARTO REFERRED TO HIS HAVING INSTRUCTED FOREIGN MINISTER ADAM MALIK TO RAISE THIS MATTER WITH THE SECRETARY IN NEW YORK LAST SEPTEMBER. I SAID MALIK HAD DONE SO AND THE SECRETARY HAD BEEN GIVING THE MATTER HIS PERSONAL ATTENTION.
GALBRAITH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, PL 480, FOOD SHORTAGE, FOREIGN EXCHANGE HOLDINGS, PRICES, AGRICULTURAL PRODUCT SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973JAKART13331
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731138/aaaabbol.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 15 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Nov-2001 by willialc>; APPROVED <13-Dec-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RICE SITUATION IN INDONESIA
TAGS: EAGR, ID, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005